M&D Workshop Briefing

SAD's Administrative Fee Policy on "Consolidated Permits" for Shoreline Use

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by Nickie Perry

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What's a "Consolidated Permit?"

- SAD combines:
  - Shoreline Use Permit (authorized under Title 36 (36 CFR 327.30-.31)) with its
  - Associated realty license and/or consent (authorized under 16 USC 460d).
- In 1960's HQ delegated SAD authority to combine both into one document for "one stop shopping" & issued at project level.

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Why did SAD develop this new Adm Fee policy?

- Constrained Funding - CW O&M $ spread thin. Good Business to retain Adm fees on these Shoreline Permits so O&M $ can be leveraged for deferred O&M activities
- Largest Program - SAD expends $1.5M annually to issue and administer 36,000+ Consolidated Permits for Shoreline Use (manages 60% of Corps shoreline program)
- Demand - Increasing shoreline use demand in southeast means increased future costs
- Consistent Application - SADRE already charges administrative fee for all other realty transactions – why not these delegated ones
- Implement User Pays Concept – "But for" argument

Since Corps RE Admin Fee Policy was issued in Nov 03 (which included Shoreline Use), we wanted to define a fair and consistent application to all our realty transactions and insure the individual/ group receiving the benefit pays the cost.

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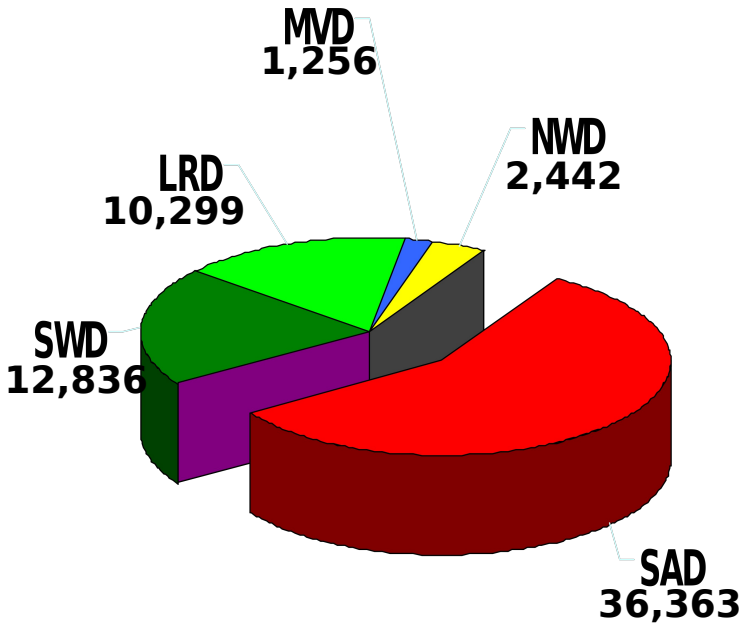
Shoreline Use by Region



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How Policy Developed?

Established a regional PDT:

RE/Ops members from MSC, 4 districts and all 11 affected lakes (total of 24 members including a 7-member sub-PDT).

(Matrixed in OC, PAO & RM support)

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PDT's Tasks

- Determine administrative costs of real estate portion of the SLM Program
- Develop a fair and equitable fee schedule
- Develop a communication plan for implementing the new fee schedule
- Revise the Division Regulation on Shoreline Management (SADvR 1130-2-14)

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PDT's Alternatives for Application

- Alternative 1: Status Quo
- Alternative 2: Implement real estate fee schedule to recover actual costs for each permit/license
- Alternative 3: Implement real estate fee schedule based on regional averages and all boat docks are affixed to land so all have realty (except veg mods & erosion permits)

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SAD RGB Approved Fee Schedule

- Implement administrative fee schedule based on regional averages (Alt 3 - *realty portion only* – add $35 permit + FMV)
  - $140 – Reissue (to same owner of existing facility - 5-year term)
  - $365 – New (or new owner of existing facility - 5-year term)
  - $ 90 – Modification – (Additions/changes to existing facility)
- Implementation Date: 1 January 2006

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Implementation Steps

- Finalize Communications Plan and Reg (15 Sep)
- Internally share information and provide regional overview of coordination/implementation (30 Sep)
- Advance coordination with all congressional interests (10-21 Oct)
- Simultaneous coordination (1 Nov):
  - Stakeholder Letters
  - Media/News/Web Release
- Implement administrative fees (1 Jan 06)

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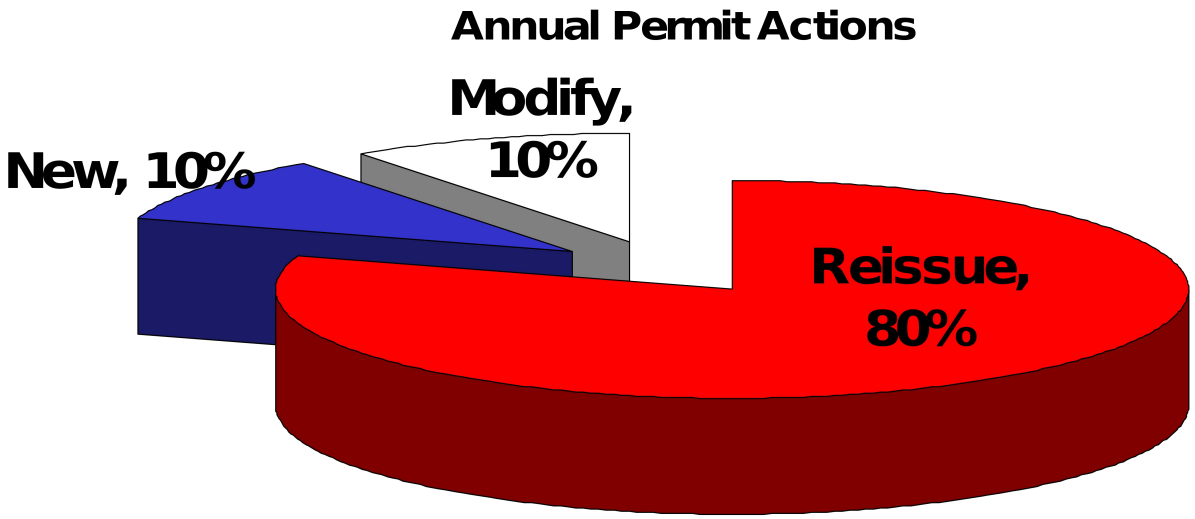
Impacts to Customers

- Revised fee schedule applies to all Shoreline Use
  (except erosion or vegetative modification permits)
- Fair Market Value not impacted at this time



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What can SAD Retain?

- 100% of Adm Fee (REAF estimated):
  - 36,000 x 80%/5 yrs = 5760 reissued @ $140 =$806,400
  - 36,000 x 10%/5yrs = 720 new @ $365 = $262,800
  - 36,000 x 10%/5yrs = 720 mods @ $90 = $ 64,800

  Total $1,134,000
- 10% FMV rent (REEF) ???
- 90% FMV rent goes to General Treasury (LICN) along with $35 Permit fee (PERM??)

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Status/Lessons Learned

- Received 100% Congressional support
- Little to no flack from grantees
- Need SOP for uniform collection process (REEF, REAF, LICN, PERM, COA??)
- Add'l internal Q&As shared as questions arise
- Biggest problem – grantees sent in $400 thinking they had to pay now instead of when permit renewal was due.

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